

Comptroller's Directive No. 2-06
Attachment 6
Schedule of Outstanding Installment Purchase Obligations

Purpose

This attachment is used to gather uniform financial reporting information for installment purchase obligations including footnote disclosures. This is similar to prior year's Attachment 6.

DO NOT INCLUDE ANY INFORMATION ON THIS ATTACHMENT RELATED TO ENERGY PERFORMANCE CONTRACTS. INSTALLMENT PURCHASE OBLIGATIONS FOR ENERGY PERFORMANCE CONTRACTS SHOULD BE REPORTED ON ATTACHMENT 4.

Applicable agencies

All agencies with installment purchases that are **not** reported on a financial statement template **must** complete this attachment.

Note: The beginning balance will automatically populate based on the agency number keyed into the **IP Worksheet Tab** of the attachment spreadsheet. In order to obtain the appropriate beginning balances, the following agencies must key the specified three-digit agency number for all related facilities / agencies:

- The Department of Corrections must aggregate central office and all facilities using 701.
 - The Department of Mental Health, Mental Retardation, and Substance Abuse Services must aggregate central office and all facilities using 720.
 - The Supreme Court of Virginia must aggregate all agencies 103, 111, 112, 113, 114, 115, 116, 125, 160 using 111.
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Due date

August 3, 2006

Submission requirements

Contact DOA if the agency has any problems with the spreadsheets.

After downloading the files, rename the spreadsheet file using the agency number followed by Att6. For example, agency 151 should rename its Attachment 6.xls file as 151Att6.xls.

Submit the excel spreadsheet electronically to finrept@doa.virginia.gov.
Copy APA via e-mail to APAFinRept@apa.virginia.gov.

Do not submit paper copies of these excel spreadsheets.

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**Attachment
revisions**

If attachment revisions are made subsequent to DOA acknowledgement of receipt and acceptance of the original attachment submission, **resubmit the revised attachment AND complete the Revision Control Log Tab in the attachment excel file.**

Enter the revision date, applicable excel file tab name, row number and column letter revised, and the previous and revised information. Document text changes and numerical changes. Only enter changes for amounts actually keyed. For example, if a non-keyed, calculated total changes as a result of the revision, this does not need to be documented on the Revision Control Log.

If the attachment is revised more than once, do not delete control log revision information from the previous revision. Enter the new revision date and the additional revisions in the rows following the initial revision rows. This log should document all revisions from the initial attachment submission.

Definitions

Installment Purchases – Financing agreements to acquire assets for which title passes immediately to the agency. Financing arrangements covered by the Treasury Board Master Equipment Leasing Program are considered installment purchases.

Lease – A financing agreement in which the title may pass by the end of the lease term, or may not pass at all.

Capitalized Fixed Assets – For CAFR financial reporting purposes, capitalized assets are equipment valued greater than or equal to \$50,000 and buildings / CIP valued greater than or equal to \$100,000.

Controlled Fixed Assets – For CAFR financial reporting purposes, controlled assets are equipment less than \$50,000 and buildings / CIP less than \$100,000.

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**Additional
considerations**

GASBS No. 34 Government-wide Financial Statements

This attachment provides information to convert the Governmental Fund Statements (modified accrual) to the Government-wide Statements (full accrual). Also, the installment purchase obligation must be reported on the following two separate line items on the Statement of Net Assets: amounts due within one year and amounts due in greater than one year.

LAS and FAACS

Agencies should ensure that installment purchases are NOT included in the Lease Accounting System (LAS) and that the fixed assets acquired through these installment purchases are properly recorded in FAACS.

Audit

For audit purposes, prepare and maintain a separate listing of assets acquired under outstanding installment purchases.

**Completing "IP
Worksheet" tab**

Cells that require input are shaded in light yellow.

Step	Action
	Enter the agency number. This must be done FIRST for the spreadsheet to function properly.

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Completing "IP Worksheet" tab, continued

Step	Action
1	<ul style="list-style-type: none">The beginning balance amount represents the agency's ending balance reported in the prior fiscal year CAFR. The agency cannot modify this figure. <p>Note: If a restatement of the prior balance is required, contact those listed in the Questions section of this directive.</p> <ul style="list-style-type: none">Enter the amount of any new installment purchase obligations for the current fiscal year.Enter the principal payments made in the current fiscal year for installment purchases.The ending balance will be computed for the agency. The agency does not have to enter this number. <u>This number MUST agree to the total future principal payments on the Long-term Debt Tab.</u>
2	Complete the detailed information about new installment purchase obligations: <ul style="list-style-type: none">Enter new acquisitions by fund and function.Total acquisitions MUST agree to the total in Step 1. If not, an ERROR message will appear.
3	Complete the detailed information about the principal and interest payments: <ul style="list-style-type: none">Enter corresponding amount of principal and interest by function. There are rows available for all Commonwealth functions.Total principal MUST agree to the total in Step 1. If not, an ERROR message will appear.

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Completing "IP Worksheet" tab, continued

Step	Action
4	<p>Completing the detailed information about assets acquired with new installment purchases (or acquisitions):</p> <ul style="list-style-type: none">• Select Yes or No for whether any assets valued at \$50,000 or more were acquired with new installment purchase obligations in the current fiscal year. If Yes, go to the next question. If No, go to the Long-term Debt tab.• Select Yes or No for whether assets valued at \$50,000 or more acquired with new installment purchase obligations were recorded in FAACS in the current fiscal year. If Yes, complete the detailed information about the assets in the schedule and then go to the Long-term Debt tab. If No, explain why the assets were not recorded in FAACS in the current fiscal year and then go to the Long-term Debt tab. <p>Note: All installment purchase assets on FAACS should be marked with an "I" in the acquisition method field. For any installment purchase assets that do not have an "I", immediately correct the acquisition method and the funding source in FAACS.</p>

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Completing the
"Long-term
Debt" tab

The contact information is linked to the IP Worksheet Tab. Cells that require input are shaded in light yellow.

Step	Action
1	<p>Enter future principal and interest payments by year for the first five fiscal years indicated, and then in five-year increments thereafter. Total principal payments MUST EQUAL the ending balance on the "IP Worksheet" tab. If not, an ERROR message will appear.</p> <p>Note: Soft costs should be amortized over the life of the asset and included in the payment amounts being reported. These costs entail freight and transportation charges, installation costs, site preparation expenditures, professional fees (including title costs and surveying fees if appropriate), legal costs directly attributable to asset acquisition, and cost of necessary easements and right-of-ways. (Also see CAPP Manual Topic No. 30210 for more detailed information.)</p>
2	<p>The total future principal payments amount is linked to the total of the principal amounts entered in Step 1.</p> <p>Enter the agency total principal shown on the MELP listing located at www.doa.virginia.gov. Click on the "Financial Reporting" button, then click on "Financial Statement Directives." The variance and whether a fluctuation analysis is required is automatically calculated.</p> <p>Note: The MELP listing for the current fiscal year will be available mid-July. Please be aware that some agencies will have items in more than one location on the listing.</p> <p>If a Fluctuation Analysis is required provide a detailed explanation of the variance in the space provided on the attachment.</p>

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**Function codes
defined**

Functional codes are the first number in every program code. For example, program code 1031000 “Community Services” would fall under the “Education” function. Each functional code and its corresponding description are below.

- 1 – Education
 - 3 – Administration of Justice
 - 4 – Individual and Family Services
 - 5 – Resources and Economic Development
 - 6 – Transportation
 - 7 – General Government
 - 8 – Enterprises
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